

Business Resources Division:

The Business Resources Division is comprised of a variety of programs aimed at improving, enhancing, and diversifying Montana's economic and business climate. Working closely with the private sector, the Governor's Office, the Legislature, economic and community development partners, other department divisions, state agencies, and federal and private programs; the division strives to enhance the economic base of Montana through business creation, expansion, and retention efforts.

Business Resources Division responsibilities are mandated primarily in Title 30, Chapter 16; Title 17, Chapter 6; and Title 90, Chapter 1 and 10, MCA.

Mission:

The mission of the Business Resources Division is to deliver information, technical assistance, and financial resources to communities and businesses in Montana resulting in the development and prosperity of our state.

Research & Commercialization:

The Board of Research and Commercialization Technology was created by the 1999 Montana Legislature to provide a predictable and stable source of funding for research and commercialization projects and to expand and strengthen research efforts for the state's basic industries to increase their economic impact on the state economy; and to expand research efforts into areas beyond the scope of the basic industries to diversify and strengthen economic security through the creation of technology-based operations and long-term quality jobs.

The board has the statutory authority to make grants or loans to research and commercialization centers if the projects to be funded:

- Have potential to diversify or add value to a traditional basic industry of the state economy
- Show promise for enhancing technology-based sectors or commercial development of discoveries
- Employ or take advantage of existing research and commercialization strengths
- Have a realistic and achievable project design
- Employ an innovative technology
- Are located in the state
- Have a qualified research team
- Have scientific merit based on peer review
- Include research opportunities for students

Mission:

The mission of the Montana Board of Research and Commercialization Technology is to support the development of research and technology that has commercial potential within Montana by providing leadership and funding resources for those activities.

Goals and Objectives:

Award authorized funds to research and commercialization projects with significant potential to improve the state's economy by:

- Supporting production agriculture projects that improve production capability, value-added opportunity and alternative crop options;
- Supporting projects that have the involvement of private companies;
- Supporting projects that enhance the state's research infrastructure;
- Supporting projects that show a clear path to commercialization in Montana; and
- Providing oversight management of awarded grants.

PERFORMANCE	CY 2005 Cumulative	Plan CY 2006 Cumulative	Plan CY 2007 Cumulative	Plan CY 2008 Cumulative	Plan CY 2009 Cumulative
Total Award Funding	\$ 22.2M	\$ 25.7M	\$ 29.2M	\$ 31.3M	\$ 33.5M
Matching Funds	\$ 28.7M	\$ 31.2M	\$ 33.7M	\$ 33.7M	\$ 33.7M
Follow-on Funding	\$115.8M	\$125.8M	\$135.8M	\$145.8M	\$155.8M
Total Payroll Expenditures	\$ 68.7M	\$ 75.0M	\$ 81.3M	\$ 85.0M	\$ 90.3M
Production Agriculture Funding	\$ 7.6M	\$ 8.3M	\$ 9.0M	\$ 9.0M	\$ 9.0M

Regional Development Bureau:**Montana Finance Information Center:**

The Montana Finance Center provides summary information for the most significant financing resources available from state, federal, and local institutions. The Montana Finance Information Center website is organized as much as possible by source and point of application. Preference for organizational purposes is given to the actual level that provides funding to businesses and local governments. The web address for the Finance Information Center is <http://www.mtfinanceonline.com/>.

The Finance Information Center has responded directly to numerous email requests for information and has developed dozens of specific finance option summaries for business proposals, including business recruitment activities conducted by the Governor's Office. As additional credible sources of finance and technical assistance are discovered, they are included within the resources of the website.

Objectives:

- Continue to update and keep current the finance and technical assistance information on the website.
- Continue to research information that would be useful to include in the website.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Visits	38,900	40,000	48,000	56,000	64,000
Average Visits per month	3,240	3,333	4,000	4,667	5,333

Regional Development Officers:

There are five Regional Development Officer's (RDO) assigned to a regional area as a representative of the Montana Department of Commerce. The RDOs live in their regions and are a resource to businesses, local development corporations and communities in the area. The program serves as an access point to all relevant Commerce Department resources, and all other relevant business and community development resources. A primary purpose of the program is to provide technical assistance to businesses for the purpose of obtaining financing for start-ups, expansions, business locations from out of state, and retention.

Objectives:

- Ensure that all areas of Montana have reasonably equal access to funding and technical assistance resources, especially the Community Development Block Grant (CDBG) Fund, the Big Sky Economic Development Trust Fund, Workforce Training programs, WIRED, Indian Country Economic Development, etc.
- Develop close and effective working relationships with businesses and the resources that benefit them in their efforts to grow and create new employment in Montana.
- Improve the capacity of local development efforts through technical assistance and fund raising. This includes close involvement with the Certified Regional Development Corporations program.
- Work closely with the Governor's Office of Economic Development and other state agencies involved in economic development, such as the Department of Agriculture.

It is important to note that the major projects worked on by the Regional Development Officers always include significant levels of cooperation between businesses, local development organizations, local governments, banks, federal and state agencies and all available business resource programs, including the Montana Manufacturers Extension Centers. The RDO program works closely with Montana Manufacturing Extension Center (MMEC) and the Regional Development Bureau has provided grant funding for several years to MMEC in order to expand its efforts working with Montana Manufacturers. The RDO program will also be integrally involved working with the Montana Agricultural Innovation Centers currently being established in Montana.

The focus defined in the guidelines of most Regional Development Bureau technical assistance and finance programs is to assist value-adding businesses, such as manufacturers. The intent is not to take credit for the projects but to show the extent to which positive results are being achieved through the hard work of all entities involved. Regional Development Officers facilitate, coordinate, and expedite business projects by working with others in the regions they serve.

In 2005, the RDO program was involved with 34 completed business and community development finance projects that resulted in approximate **new financing of \$55,682,592 dollars** in Montana. The projects project the **creation and retention of 1,700 jobs** based on the business plans utilized in the finance packages.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Completed Business Projects	34	40	40	40	40
Job Creation and Retention	1,700	1,700	2,000	2,000	2,000
Business Financing	\$55,682,592	\$60,000,000	\$65,000,000	\$65,000,000	\$65,000,000
Total Project Investment	\$55,682,592	\$60,000,000	\$65,000,000	\$65,000,000	\$65,000,000

Community Development Block Grant (CDBG) Program:

The Montana Department of Commerce receives approximately \$2.3 million each year from the federal Department of Housing and Urban Development for Economic Development. These funds are administered by the Business Resources Division and distributed to communities for loans to businesses to stimulate economic development activity that creates or retains jobs primarily for individuals from low and moderate-income families. The program assists businesses by providing flexible interest rates and loan terms to complement conventional bank financing and other federal and state finance programs. The program also provides funding for infrastructure in support of business and job training. Loan repayments are retained locally to re-lend to other businesses in the community, thus creating a local revolving loan fund.

The program reviews applications for funding on a continuous open cycle throughout the year. Projects are selected for funding by considering the overall feasibility, long-range economic impact, and the number of jobs that would be made available to low and moderate income persons in the community.

Objectives:

Based on years of public comment, enforcement of federal program objectives and various studies conducted through the years for the program and economic development generally, the program's objectives for assisting business development in Montana are to:

- Increase viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent year-round jobs principally for low and moderate income Montanans;
- Increase economic activity, which adds value to a product through manufacturing, refining, processing, or packaging, especially those activities that involve Montana's natural resources;
- Increase economic activity, which creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods;
- Increase service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50%) outside of Montana;
- Allow local communities to identify their own needs and develop their own initiatives;
- Assist businesses and communities in achieving economic prosperity by using program resources to leverage other private and public resources;
- Assist new and expanding businesses with employee training needs;
- Assist micro-enterprises through technical assistance funding;

- Assist small business participation in gaining access to federal funding for R&D through the State of Montana Small Business Innovative Research (SBIR) program;
- Place a priority on projects that create higher paying jobs.
- Fund more high-technology businesses and manufacturing operations, including value added agricultural products, based on current demand. Over the past five years, more than ½ of the projects funded were in the technology and manufacturing sectors.
- Help create over 200 jobs per year, of which, over 51% will be held or made available to low and moderate-income persons.
- Leverage \$12 to \$13 of other funds for each \$1 of program funds.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Job Creation and Retention	184	200	200	220	220
Planning Grants	13	6	6	6	6
CDBG Business Financing	\$3,978,236	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
Total Project Investment	\$15,103,141	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000

NOTE: Calendar year 2005 included CDBG funds carried over from previous year

Montana Microbusiness Finance Program:

Montana's MicroBusiness Development Corporations (MBDCs) provide financing and technical assistance to help a business get started or to expand. The Department of Commerce loans money to the MBDCs who in turn loan out the money at a slightly higher interest rate. The MBDCs make loans up to \$35,000 for working capital, equipment, or other fixed assets for qualified micro-businesses. A qualified micro-business must be a Montana-based business that has ten or fewer employees and less than \$500,000 in annual revenues. To qualify for a loan the business needs to meet local lending criteria. Since the intent of the program is to finance business projects that would not otherwise be able to obtain financing from sources such as their local bank, the interest rates charged on the loans are slightly higher than bank rates.

Objectives:

- Increase awareness of the availability of micro-loan funds through marketing efforts at the local and state level.
- Cultivate effective working relationships between MBDC staff and other resources, to assist Montana businesses in obtaining financing.
- Ensure that the state funds are actively revolving through more effective local loan fund administration and reallocation of unloaned funds.
- Improve the capacity of the MBDCs to provide loans and technical assistance:
- Improve the capacity of the MBDCs to underwrite and service their microloan portfolios.
- Improve the capacity of the MBDCs to provide training and technical assistance to their customers.
- Encourage the development and growth of Montana micro-businesses by supporting the provision of financing services.

Since Its Inception (1992) through 12/31/05

- * Number of loans to micro-businesses: **879**
- * Dollar amount loaned to micro-businesses: **\$15,034,039**
- * Jobs created and retained by businesses receiving loans: **1,862**

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Total Number of New Loans	35	40	45	50	50
Dollar Amount of New Loans	\$953,805	\$1,000,000	\$1,000,100	\$1,000,200	\$1,000,200
Cumulative Loans	879	919	965	1015	1065
FTEs Created	55	60	65	70	75
FTEs Retained	55	60	65	70	75

Big Sky Economic Development Trust Fund:

The legislative purpose of the Big Sky Economic Development Fund is to:

- Create good-paying jobs for Montana residents,
- Promote long-term, stable economic growth in Montana,
- Encourage local economic development organizations,
- Create partnerships between the state, local governments, and local economic development organizations that are interested in pursuing these same economic development goals,
- Retain or expand existing businesses, and
- Provide a better life for future generations through greater economic growth and prosperity in Montana.

On July 1, 2005, initial funding was transferred from the coal severance tax permanent fund to the Big Sky Economic Development Fund (Trust Fund). In addition a portion of the total coal severance taxes collected annually are deposited into the Trust Fund. Earnings (interest only, not principal) from the Trust Fund are available for financial assistance to local governments and economic development organizations through application to the Department of Commerce.

The Trust Fund program is designed to provide financial assistance in the following two categories:

Category I: 75% of Trust Fund earnings shall be awarded to local governments in the form of grants and loans for economic development projects.

Category II: 25% of Trust Fund earnings shall be awarded to Certified Regional Development Corporations and other eligible economic development organizations in the form of grants for economic development planning and capacity building.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Total Amount of Financial Assistance	\$1,000,000	\$1,200,000	\$1,400,000	\$1,600,000	\$1,800,000
New Jobs Created	140	180	220	260	280

Certified Regional Development Corporations:

This program provides statutory funding for up to 12 regional economic development organizations (Certified Regional Development Corporations) on a matching grant basis of \$1 state dollar for every local \$1.

Objectives:

- Encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building.
- Work towards including the counties in Montana that are not currently part of a CRDC.
- Receive and evaluate CRDC annual reports for compliance with contracts.
- Implement the Treasure Communities Program.
- Survey CRDC's to receive input on the implementation of the Treasure Community program.
- Work with CRDC's to enhance and build their capacity to serve their constituent counties, communities, and citizens in the areas of technical assistance, finance, regional planning, and grant administration.
- Evaluate and make recommendations for improvement in the CRDC program.
- Continue to help administer the Economic Development Advisory Council meetings by proposing agenda items, performing research and analysis where needed and requested, and implementing suggestions made by the Council with the approval of DOC management.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
# of CRDCs	11	12	12	12	12
5-Year Strategic Plans	11	12	12	12	12
# of Counties Covered	52	54	56	56	56
Dollars Provided	\$425,000	\$425,000	\$425,000	\$425,000	\$425,000

Workforce Training Grant Programs :

Primary Sector Workforce Training Grant (WTG): There are currently two Commerce programs that are principally focused on providing job training grant funds to Montana workers. The **Primary Sector Workforce Training Grant (WTG)** program is a state-funded program that was moved from the Governor's Office to the Department of Commerce during the 59th Legislature and is an essential component of Governor Schweitzer's economic development plans for Montana. There is \$1.3 million available annually for this program. This program is targeted to businesses that are creating at least ten net, new jobs that pay at least the lower of the current county average wage or the state current average wage.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Job Creation	397	360	360	360	360
Job Training Funds	\$1,985,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
Total Project Investment	\$33,272,844	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000

Workforce Investment Act (WIA): Governor Schweitzer has decided to use the discretionary component of the federally funded Workforce Investment Act (WIA) program that provides grants to Montana businesses in order to provide incumbent worker job training to existing and new employees. The Montana Department of Labor and Industry has provided federal grant funds to the Department of Commerce of which \$380,000 will be available for business applications. Montana businesses may apply directly to the Montana Department of Commerce to request **Workforce Investment Act (WIA)** funds.

The Department is targeting the workforce training grant programs to projects that can demonstrate tangible, measurable results involving employees working in the businesses that are receiving assistance. The Department may assign a Regional Development Officer to work directly with applicants that appear to have viable, eligible project proposals meeting the intent of one of these programs.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Jobs Trained	65	80	80	80	80
Job Training Funds	\$340,000	\$400,000	\$400,000	\$400,000	\$400,000
Total Project Investment	\$10,111, 913	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000

Indian Country Economic Development Funds:

The Schweitzer Administration prepared and the Legislature approved an appropriation of \$500,000 for Indian economic development. The Department of Commerce has consulted with the State/Tribal Economic Development Commission on several occasions to get the Commission's recommendation about how that money should be invested in Indian Country.

The Department prepared a draft proposal that was reviewed by the State Tribal Economic Development Commission. The proposal included two initiatives. The first was to invite applications from each Reservation and the Little Shell Tribe for economic development projects. The maximum grant award for these projects is \$50,000. Spread among the seven reservations and the Little Shell, the total for this activity is \$500,000 per year.

Performance	FY 2006	FY 2007	FY 2008	FY 2009
Funding	\$500,000	\$500,000	\$500,000	\$500,000
Jobs C/R	134	50	50	50
Total Projects Funding	\$3,541,519	\$1,000,000	\$1,000,000	\$1,000,000

Montana Capital Companies:

The Montana Capital Company Act was designed to stimulate economic activity in Montana by providing tax credit incentives to investors in Montana capital companies, who in turn provide debt and equity financing to new or expanding qualified Montana Businesses. The Department of Commerce is responsible for oversight of the tax credits, qualified investments, and general operations of capital companies. All tax credits that were available under the statute have been used or have expired. **All Capital Company tax credits have been allocated and all Capital Companies have been decertified pursuant to state law as having met their obligations under the certification agreements.**

Census and Economic Information Center (CEIC):

The Census and Economic Information Center provides demographic and economic data and analysis, GIS support, technical assistance and training. CEIC assists Montana businesses and communities along with schools and government agencies to access and use this information for decision-making.

Since 1978, CEIC has been the State of Montana's lead agency in the U.S. Census Bureau's federal-state cooperative State Data Center (SDC) and Business/Industry Data Center (BIDC) programs, and is a member of the U.S. Bureau of Economic Analysis (BEA) User Group. As such, CEIC has been the official repository of Montana Census data for the past 28 years. CEIC's responsibilities to the SDC/BIDC program, under the Memorandum of Agreement between the U.S. Bureau of the Census and the State of Montana, include the coordination of a 29-member statewide affiliate network.

CEIC provides access, education (in the form of workshops and presentations), and analysis of demographic and economic data as well as other federal and state statistical information. CEIC's special library collection contains historical and current census documents in print and electronic format. CEIC's comprehensive web site, <http://ceic.mt.gov/>, allows clients to research and collect data in an easily accessible, accurate, and timely manner.

Objectives:

- Provide client research services by:
 - Locating and providing data and information related to Montana's population, economics, businesses and other characteristics of the state;
 - Assisting clients in understanding data and data resources including analysis of data and data trends, workshops and training in accessing and using data from a variety of state and federal resources;
 - Interpreting and explaining significance of and relationship between the various economic statistics;
 - Preparing economic studies using economic tools, theories and modeling software to assist decision makers; and
 - Providing other technical assistance and training in using CEIC data.
- Increase data and information awareness and accessibility via Internet, E-mail, and personal contact by:
 - Providing 24/7 access to the full range of Montana demographic and economic data via CEIC's web site <http://ceic.mt.gov/>;
 - Providing in-depth analytical *Data Highlights* of new or revised Montana data via E-mail, CEIC web site, and quarterly *What the Numbers Say* newsletter, as statistics are released by federal agencies;
 - Allowing clients to retrieve pre-formatted tables of data and also retrieve the raw data for their analytical needs;
 - Allowing clients to search geographically, examine the spatial relationship among the data, and graphically visualize the tabular information; and
 - Allowing clients to access spatial data analytical tools and applications to integrate data from various sources.
- Provide geographic information system (GIS) capabilities by:
 - Assisting clients to identify, acquire, and use data in a GIS;
 - Providing a clearinghouse of data from the U.S. Census Bureau and other agencies;

- Providing technical assistance and workshops to develop GIS applications related to demographic and socioeconomic needs; and
 - Creating demographic, economic and administrative maps for clients and Commerce staff who do not have GIS capabilities.
- Provide specific training in availability and use of economic, demographic and spatial data to State Data Center Affiliate Network, other state agency employees, Commerce staff, various economic organizations and interest groups, and the general public. This effort will result in:
 - A more informed and stronger state network of State Data Center Affiliates;
 - A state employee labor force with better skills to access and utilize demographic and economic data in their everyday work; and
 - A more knowledgeable public with improved skills to manage and utilize new data products and resources, who understand the variety of data resources available to them from state and federal agencies.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Training Workshops	17	30	35	40	45
Training Participants	260	900	950	1000	1050
Data Highlights (in-depth analysis by subject)	28	30	35	40	45
Data Requests Via Phone, E-mail, Walk-in	893	925	1,000	1,250	1,400

Trade and International Relations Bureau:

The Bureau provides information and technical and marketing assistance to help Montanans pursue business opportunities, both domestically and worldwide. Export trade and marketing specialists provide consultation and training for companies to successfully compete in new markets. The Bureau highlights Montana made products via an Online Products Directory as well as a "Made in Montana" marketing initiative to identify and promote Montana products through the use of identifying labels. It also offers a wholesale trade show assistance program. Overseas trade offices are maintained in Taipei, Taiwan and Kumamoto, Japan to promote agriculture, tourism, value-added products, and higher education opportunities to markets in East Asia. The Bureau also serves as the protocol and international liaison for the Governor's Office and the Department of Commerce.

Objectives:

- Provide technical export and marketing assistance and training for Montana companies
- Maintain Montana's trade representative offices in Kumamoto, Japan and Taipei, Taiwan to promote Montana tourism, education, cultural exchanges and provide business assistance for Montana exporters
- Provide logistical support in organizing international trade and diplomatic missions
- Coordinate cultural, education, government, and business exchanges with Montana's sister-states Guangxi Zhuang Autonomous Region, People's Republic of China; Kumamoto Prefecture, Japan; and Taiwan Province, Republic of China on Taiwan
- Coordinate annual meetings between Montana, Alberta, and Saskatchewan government officials and business leaders to foster greater cross-border understanding and cooperation

- Serve as the protocol liaison for the State of Montana in coordinating meetings for representatives of foreign diplomatic offices and trade organizations with Montana officials
- Coordinate tourism promotions in East Asia with Travel Montana
- Coordinate the export of value-added agricultural products worldwide with the Montana Department of Agriculture

Export Technical Assistance:

Technical export assistance is provided to Montana companies by the Bureau's International Trade Officer. The Trade Officer provides Montana companies with information and training to address issues such as export regulation and compliance, methods of shipment, methods of payment, market research, response to trade leads, and follow-up communication with overseas clients. This export assistance provides valuable expertise for Montana companies to pursue new export markets. Failure to be in compliance with US export regulations and export/import protocols can cause cargo delays and loss of revenues, as well as subjecting companies and employees to possible fines and imprisonment.

Objectives:

- To provide technical assistance, research and training for Montana companies seeking to enter, or expand, export markets
- To conduct export workshops in Montana communities for training company employees in export compliance, documentation, etc
- To compile annual reports on Montana's export commodities, values, and destinations
- To maintain current information on export and import regulations
- To maintain an export information website www.exportmontana.com

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Export Counseling Cases	712	725	730	735	740
Export Training Workshops	8	5	6	6	6
Export Training Workshop Participants	48	30	35	35	35

Montana Marketing Technical Assistance Partnership (M²TAP):

The M²TAP is offered through a joint venture of the University of Montana, Montana Department of Commerce, the Montana Economic Developers Association (MEDA), and the Montana Manufacturing Extension Center (MMEC). The M²TAP offers a start-up or expanding Montana small business a marketing specialist who will assist them in performing strategic marketing analyses, and, using these results, create a strategic "business-to-business" marketing plan for a mutually selected product or product line.

Objectives:

The program is intended to assist Montana companies having the following characteristics.

- potential to generate new monies in Montana
- potential to create and retain Montana jobs
- current resources of staff and/or funding to conduct the marketing analysis and follow-through with the new marketing plan

- high probability of success in the present economy

Performance	CY 2006	CY 2007	CY 2008	CY 2009
Companies provided strategic marketing assistance	4	6	8	10
Marketing Workshops	1	6	8	8
Marketing Workshop participants	20	90	120	120

Trade Show Assistance Program

This program assists Montana based companies in exploring new domestic and international wholesale markets by encouraging first-time exhibition at trade shows outside of the state. It is not only for companies new to trade show exhibition, but can also be useful for established companies who are looking to exhibit at a show that they have never been to before. It is not intended for a company to use for a trade show at which it has previously or currently exhibits.

The assistance comes in the form of fifty (50) percent reimbursement of qualified and approved expenses for trade show exhibition up to a maximum of \$3,000 (including bonus amounts).

Eligible Expenses:

- Booth/space rental
- Booth equipment, furniture, and carpeting rental
- Booth utility costs
- Promotional materials (product flyer specific to show, booth signage, etc.)
- Shipping, storage, drayage (cost of moving freight at exhibition site) and show labor

Objectives:

To provide assistance to Montana companies having the following characteristics:

- Private-sector, Montana based company providing a Montana based product/service or adding value to a product in Montana
- Exhibiting at a "business-to-business" (non-consumer) trade show outside of the state of Montana (USA or international)
- First-time participation in the specified show
- Presents documentation that the trade show is an appropriate venue for the company
- The Department of Commerce will make the final decision as to a company's eligibility for this program.

Performance	CY 2006	CY 2007	CY 2008	CY 2009
Trade Shows Attended by Montana companies participating in program	14	20	20	20

Made In Montana Trade Show, Internet, and Label Program:

The Made in Montana (MIM) program is designed to provide a unique identity to value-added products made and/or grown in Montana through the application of labels to Montana products. The program encourages businesses that meet the program requirements to utilize the trademarked image on their products. Since the inception of the program in 1984, over 27 million Made in Montana & Grown in Montana labels have been sold.

Objectives:

- Assist with the coordination of an annual state-wide Made in Montana Food and Gift Trade Show
- Evaluate training opportunities and provide effective training to MIM companies to better enable them to succeed in profitably producing and marketing their products
- Continue to identify and assist Montana companies who choose to use the Made in Montana label on their products
- Maintain an internet based Montana products directory with links to Montana companies' web-sites and work toward allowing MIM companies to update their company information via the internet. www.madeinmontanausa.com
- Help consumers and companies to identify products produced in Montana that are available to meet their needs
- Maintain a cooperative agreement with a private sector printer to produce and sell Made/Grown in Montana label products

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Made in Montana On-Line Products Directory company listings	1,137	1,250	1,300	1,350	1,400
Made in Montana label program participants	2,760	2,900	3,000	3,100	3,200

Overseas Trade Offices:

The Department of Commerce is responsible for maintaining the State of Montana's trade representative offices in Taiwan and Japan. The office located in Taiwan at the Taipei World Trade Center is responsible for trade relations in the greater China area and is referred to as the Montana Asia Pacific Trade Office. The Japan Trade Representative Office is located in Montana's sister-state, Kumamoto Prefecture. As part of a reciprocity agreement, the Kumamoto government provides Montana with rent-free office space and subsidized government housing for the Montana Trade Representative. The Trade Office Representatives work on an ongoing basis to promote and support the sales of Montana products.

Objectives:

- To promote Montana as an international tourism destination
- To help Montana companies successfully pursue trade opportunities in East Asia
- To promote Montana's value-added agriculture industry
- To promote Montana's higher education study opportunities for international students
- To provide logistical support for business, cultural, and government missions between Montana, Japan and Taiwan
- To maintain Chinese and Japanese language websites that provide Montana information and trade opportunities www.montana-chinese.org & www.bigskyjapan.com

- To generate news stories about Montana and track the paid advertising values

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Overseas Trade Shows	16	15	15	15	15
Overseas Montana Seminars	19	20	20	20	20
Overseas Media value	\$3,302,729	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Japanese website sessions	97,743	100,000	110,000	120,000	130,000
Chinese website sessions	63,790	70,000	80,000	90,000	100,000

Small Business Development Center Bureau:

Small Business Development Centers (SBDC's):

The mission of the Montana Small Business Development Center is to help start-up and existing businesses prosper by providing information and assistance through no-cost confidential, quality one-on-one counseling and training. With the Lead Center located in Helena, and sub-centers based in 10 major Montana communities hosted by local economic development organizations, the Montana SBDC delivery system is designed to reach the state's entire population with its services and programs.

Objectives:

- The SBDC will serve the state's business needs, both start-ups and existing, through training and counseling via ten statewide offices, Billings, Butte, Bozeman, Colstrip, Great Falls, Havre, Helena, Kalispell, Missoula and Wolf Point. It is expected that the program must continue to emphasize more group trainings for individuals interested in starting a business in order to provide more in-depth and longer-term one-on-one counseling to existing businesses and start-ups.
- The Montana SBDC program's two primary services are providing individualized counseling and group training in the areas of business plan preparation, starting a business, financial analysis, market research & analysis, loan packaging, accounting, promotion & selling, and general business management skills.
- In order to receive SBA grant funding, the SBDC network must meet ASBDC accreditation standards of quality. Business advisors participate in a certified training program and maintain this core level of skills by attending annual professional development sessions

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Clients counseled	1,592	1,590	1,600	1,610	1,620
Counseling Sessions	2,287	2,200	2,290	2,350	2,400
Counseling Hours	5,407	5,400	5,400	5,400	5,400
Training Workshops	211	210	215	215	215
Training Participants	3,176	3,100	3,200	3,250	3,250
Job Creation	330	330	330	330	330
Job Retention	419	420	420	420	420
Business Financing	\$36,372,502	\$33,000,000	\$33,000,000	\$33,000,000	\$33,000,000
Dollars Leveraged	\$1 State : \$5.00 Fed/Local	Same	Same	Same	Same

Montana Main Street Program (MMS):

The mission of the Montana Main Street Program is to assist Montana communities by providing a comprehensive approach to the revitalization of traditional business districts within the context of historic preservation. Through the National Trust Main Street Center approach of organization, promotion, design and economic restructuring, we will revitalize our communities, restore self-reliance and local empowerment, and redevelop an historical sense of community and pride.

Objectives:

- Implement the comprehensive, incremental Main Street Four-Point Approach to revitalization in designated Montana communities.
- Provide training, facilitation, consulting services and specialized services tailored to each communities needs.
- Serve as a resource for material and technical assistance for non-designated Montana communities.
- Coordinate with Department of Commerce Divisions and other agencies to maximize available resources to Main Street communities.

PERFORMANCE	FY 2006	Plan FY 2007	Plan FY 2008	Plan FY 2009
Designated Main Street Programs	6	8	10	12
Training & Workshops	6	14	16	16
Training Participants	100	150	205	225
Consulting Visits	3	14	18	20
General Info Sessions	3	15	15	15
Community Updates	6	28	36	36

Montana Small Business Innovation Research (SBIR) Program

Eleven federal agencies currently participate in the Small Business Innovation Research (SBIR) program. Those federal agencies with external R & D budgets in excess of \$100,000,000 are required by federal statute to have a SBIR program. Over \$1 billion is distributed throughout the

United States annually to for-profit small businesses through the SBIR program. The SBIR technical assistance will assist small Montana companies in competing for a larger piece of this federal R & D funding. Increasing the number of SBIR awards in Montana will play a key role in creating a growing technology business base in the state, a primary engine of growth.

Objectives:

- Increase the knowledge base of SBIR candidates pursuing the grant process in the federal SBIR program. Up to 255 hours of one-on-one counseling/coaching will be set aside for one-on-one counseling annually.
- Increase the quality of awards being submitted by conducting twenty Phase 1 & 2 proposal reviews annually.
- Maintain the number of Phase 1 awards at 25, through SBIR coaching provided by MDOC contracted consultants.
- Increase the number of Phase 2 awards from seven to ten. This increase will be enhanced because of SBIR coaching provided by MDOC
- Sponsor the Phase 0 grant program which will offer \$5,000 grants to upwards of 8 companies. This will be in conjunction with the University of Montana.
- Increase the conversion rate of Phase 0 to Phase 1 awards from 40% to 80%. In order to increase the conversion rate, the quality of work must be improved. This improvement will occur because award-winning recipients will be mandated to procure SBIR counseling services with a portion of their \$5,000 award.
- Conduct one general SBIR seminar in northeastern Montana that will reach participants.
- Produce an aerospace conference that will reach 125 participants. This is a one-time function that MDOC helped establish. The Montana Aerospace Development Association will now solely produce the annual event.
- Continue to serve the seasoned SBIR winners by sponsoring and producing advanced seminars. During the calendar year several advanced-level seminars (licensing, marketing, patent searching) will be conducted reaching 50 participants. In order to maintain the quality of these advanced seminars, class sizes will be limited to 15 or 25 participants.
- Provide up to 250 hours of SBIR counseling in 2006.
- Convene and facilitate two meetings of the State Technology Partnership Committee annually.
- Serve on the Tech Transfer sub-committee of the Shared Leadership for a Stronger Montana Economy group.
- Continue to build and maintain the list serve of 576 subscribers. Continue to increase the subscription numbers to 650.
- Convene a discussion with key economic leaders (private sector researchers and university tech transfer officials) to address the role research revenues play in Montana's economy, explore gaps that impede strong economic development in this area.

PERFORMANCE	Actual CY 2005	Projected 2006	Projected 2007	Projected 2008	Projected 2009
Total SBIR Clients	74	79	84	25	25
Counseling Hours	268	268	268	75	75
Training Workshops	12	12	12	4	4
Training Participants	480	300	300	100	100
Phase 1 SBIR Awards	24	30	33	22	22
Phase 1 SBIR Award Revenues	\$1,939,881	\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000
Phase 2 SBIR Awards	7	8	9	10	10
Phase 2 Award Revenues	\$4,375,002	\$5,000,000	\$5,500,000	\$5,000,000	\$3,000,000
Phase 1 STTR Awards	2	3	4	4	4
Phase 1 STTR Revenues	\$237,162	\$330,000	\$400,000	\$400,000	\$400,000
Phase 2 STTR Awards	1	2	3	3	3
Phase 2 STTR Revenues	\$750,000	\$1,150,000	\$2,250,000	\$2,000,000	\$2,000,000

The Entrepreneur Development Program/NxLevel:

The Entrepreneur Development Program/NxLevel(formerly the Microbusiness Technical Assistance Program) is funded through the general fund and a grant from the State Tribal Economic Development Commission (STED). The goal of the program is to provide business planning courses to entrepreneurs starting a business and business owners who are growing and professionalizing their business. The program is a state/community partnership that includes local organizations that host the SBDC, community chambers of commerce and community colleges. The program develops successful business owners by giving them the professional marketing, operational and financial tools they need to maximize their business success. The program supplements business counseling and workshops with a comprehensive adult learning environment developed around a 13 week program that includes guest speakers from the business community, instructors with business experience, and a curriculum specifically designed to develop business planning skills and a business plan. The program utilizes the NxLevel Entrepreneur curriculum. In particular, the program is focused on developing the capacity of Indian organizations on the Reservations to mentor and support business owners through classroom training, workshops, counseling and lending.

Objectives:

- Provide a business-planning course in Montana communities that builds the professional management skills of Montana entrepreneurs and small business owners.
- Develop classroom training with the community-based organization that has the greatest capacity to deliver services for the business owners and entrepreneurs in their region.
- Expand Native American business ownership on the seven Indian Reservations of Montana and the Little Shell Tribe.
- Partner, network and collaborate with Federal, State, and community organizations, especially the State Tribal Economic Development Commission (STED), the Montana Indian Business Alliance (MIBA) and the Small Business Development Centers (SBDC) to

develop the capacity of organizations mentoring business owners and entrepreneurs in the Reservation communities.

- Continue to provide business management classroom training to organizations that serve specific populations including veterans, dislocated workers, people with disabilities, and other people in need who are seeking self-employment as a path to economic self-sufficiency.

PERFORMANCE	CY 2005	Plan CY 2006	Plan CY 2007	Plan CY 2008	Plan CY 2009
Training Sites	26	26	20	20	20
Training Participants	333	330	325	335	340